

ENTREPRENEURSHIP DEVELOPMENT

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ABSTRACT

This Paper takes the discussion of what constitutes successful local entrepreneurship support frameworks further and seeks to provide a gateway for further exchange of good practices on this topic. It presents a criteria list that has emerged from research work on youth entrepreneurship, the academic debate and the work of practitioners. Its three dimensions are:

- 1. Opportunity creation*
- 2. Entrepreneurship education*
- 3. Start-up support*

The criteria list can be read as a 'tool' to self-assess and re-orient current strategies, structures and practices in youth entrepreneurship support.

Work is underway to develop this criteria list further. It will be employed as assessment framework in our research development and capacity building activities, with Skills for Entrepreneurship and Local Strategies for Youth Employment as two main projects in near future.

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INTRODUCTION:**1. GOOD PRACTICE CRITERIA:**

This criteria list for good practice in local youth entrepreneurship support is directed to those who are designing strategies and infrastructure for youth entrepreneurship; and to those who are active in entrepreneurship education and start-up support for young entrepreneurs[1]. The criteria list can be read as a tool to self-assess and re-orient strategies, structures and practices in youth entrepreneurship support grouped into the following three dimensions:

Opportunity Creation

- There is broad appreciation for youth entrepreneurship in the local society.
- Clear incentives and rewards are in place for individuals in education institutions, such as teachers, professors and researchers, to motivate youth and support entrepreneurship through education, mentoring and the sharing of research results.
- There is appropriately designed outreach to potential young entrepreneurs in various environments, including the unemployed and those outside education.
- Opportunity promoting activities are regularly organized for young people to identify, understand and make productive, innovative use of assets, unmet demand and market niches in their local economy.
- Regular stock-taking, performance checking and improvement of youth entrepreneurship support activities are undertaken.
- Success is celebrated

Entrepreneurship Education

- There is commitment for entrepreneurship education at the management level of education institutions, and appropriate funding is available.
- Entrepreneurship education is part of elementary, secondary, vocational, and tertiary education.
- Entrepreneurial pedagogies with varying formats and learning environments are used.
- When entrepreneurship education is an option and not compulsory, the entrepreneurship education offer is widely advertised amongst students and measures are undertaken to increase the rate and capacity of take-up. For certain courses active recruitment is practiced.
- There is early exposure to the 'world of businesses'. Entrepreneurs, firms, business support organizations and alumni are involved in the design of entrepreneurship education and its delivery.

- Possibilities for training in entrepreneurship teaching are available and take up is incentivized.
- Exchange of experience and lessons learned amongst entrepreneurship education initiatives is promoted and a network of institutions practicing entrepreneurship education exists at appropriate geographic/ administrative level.
- Evaluation of entrepreneurship activities is systematically organized at the level of the education institutions and the relevant governmental organization. Monitoring of impact includes immediate (post-course) tracking, and for secondary and tertiary education mid-term (graduation), and long-term (alumni and post-start-up) tracking is also practiced.

Start-up Support

- An entrepreneurship support structure with clear and accessible routes for youth is in place including attractive and specific youth support measures.
- There is close co-operation and referral between the different organizations involved in the support framework for youth entrepreneurship and roles are clearly defined.
- Entrepreneurship education activities and start-up support are closely integrated.
- Mentoring is organized.
- Facilities for business incubation exist and assistance is offered for youth to gain access.
- Access to financing is facilitated.

2. ENTERPRISE DEVELOPMENT:

Process aims to reduce the risks involved in setting up a new project through careful reparation. People in the field should be able to use this as a tool to establish a micro-enterprise for supplementary or main income generation. Process takes the user through every step to be considered when a person decides to start a small-scale enterprise. It reviews how a small-scale enterprise can and should be started with minimum capital investment, where this investment can be found and how to use and manage readily available resources.

TRAINING PERSONS:

1. Creating the opportunity for persons to become self-reliant: Trainers must realize their responsibility towards trainees because they will play a major role in the future of the trainees; their work will offer persons a chance for a better life with self-reliance, food security and an improved quality of life. It is the responsibility of the trainer to convince trainees that they can do anything and everything they set their minds to Considerations for training of rural persons Training must take into consideration the activities of trainees within

their community. Trainees may also have received different levels of education and, therefore, they must be encouraged to work as a team, helping one another. Both trainees and trainers must learn to work together towards a common goal, which is to succeed in starting a small-scale enterprise. If the trainees help each other, they can all learn from one another and will feel happier during the training.

2. Motivation and capacity-building

Trainers will have to prepare trainees for basic learning and for unexpected events that will certainly occur during and following the training.

Four main learning steps

The objectives and priorities in training rural people with disabilities for enterprise development are:

1. To improve daily living skills

Trainers should focus on the daily realities of the trainees' community life by direct discussion with the trainees and offering appropriate advice:

- * Accept who you are and learn to love yourself as you are
- * Think positively, and be convinced that you CAN DO
- * Be an active member of your family and community
- * Be responsible for your life by ensuring food security and quality, and practice good eating habits for yourself and your family
- * Be aware of your needs
- * Participate in your family and community activities as an equal member
- * Confront and surmount problems through open-minded interactions among themselves and in addition, through personal prayers, meditation, reflection and physical exercises.

2. To impart technical capabilities and capacities

Trainers must concentrate on the skills required for the successful accomplishment of all tasks associated with the chosen small-scale enterprise that is to be established in a rural area. These skills and tasks will vary from one business to another. For persons with physical disabilities, certain techniques may be needed to replace the "conventional way" of doing things. For example, using the feet or mouth instead of hands has proven very efficient. Certain tools and devices can also be adapted to a person's physical disability. Because training has to be conducted over a limited period of time, the quality of trainers becomes extremely important. Several programs developed by government and non-governmental

organizations use specialized trainers. Nevertheless, trainees prefer trainers who are successful entrepreneurs themselves and can explain from experience the “do’s and dont’s”. of establishing and running a small-scale enterprise.

3. To develop entrepreneurial skills

All aspects of a sustainable enterprise must be reviewed and well understood.

4. To establish a network and strategic partnerships

Regular communication with trainers and all parties involved will provide trainees with timely information about existing training programs. Trainees should fully exploit opportunities for collaboration with various agencies and organizations. This will also facilitate their acceptance as full members of their community.

SELECTING TRAINEES

The selection of trainees should be based on well-defined criteria. Although many persons with disabilities can perform all required tasks, their motivation is crucial for success. Careful selection of the trainees is, therefore, vital for the successful replication of the enterprise and its future sustainability.

a. Trainee Selection Procedure:

1. **Identification of the candidates**
2. **Pre-selection**
3. **Diversity of location**
4. **Each candidate visited at home**
5. **Verification of commitment**
6. **Verification of motivation**
7. **Verification of availability**
8. **Final selection**

b. Size of the Training Group

c. Gender issues

Before setting up a small-scale enterprise, it is necessary to:

1. Deal with specific challenges

In any business [2] venture, specific challenges need to be addressed. These include:

- * Seed money
- * Physical location of the business venture
- * Construction or other physically demanding work

- * Management skills
- * accounting skills
- * Marketing skills
- * Maintenance of equipment, machinery and premises.

Ask these questions:

1. What are my strengths?
2. What are my weaknesses?
3. How can I compensate for my weaknesses?
4. What are my current personal needs?
5. Who will be working with me?

2. Choose the right business

The right business certainly varies from one person to another. Personal preferences, along with physical and mental capabilities are the main deciding factors. Nevertheless, the focus should be on market demand and its limitations to determine if the business can be successful. A planned small-scale enterprise should be able to produce sufficient income to justify the time and energy invested in the venture. Family support also plays a major role in the selection of the business since a disabled person needs help in accomplishing certain tasks, especially during the start-up of the enterprise.

3. Review market demand and the competition

Review of the competition is necessary. Competition means there is a market, but how big is the market? It is important not to saturate the market and to supply the right type of product or service; something that is in demand.

Ask these questions:

- 1. Who are my competitors?**
- 2. Who are my customers?**
- 3. How much can the market absorb before saturation?**
- 4. Is there a shortage or surplus?**

Location of the market is also important for micro-entrepreneurs. Agricultural produce, for example, has to be sold at the fresh market, which must be accessible to the micro-entrepreneur. If it is too far, proper transportation arrangements will be necessary or else the product will have to be sent by a hired delivery person or sold to a middle person. Hiring

people increases production costs. Marketing is easier for a farm-based enterprise located within a small community where the production can be sold directly to the villagers.

4. Check seasonability

Agriculture and farming produce are often seasonal. The following questions must be considered:

1. Is the crop or product available only during certain seasons?
2. Are raw materials available all year round?
3. Can the product be kept in storage?
4. Is the service or product only required during certain periods of the year?
5. Can there be off-season production?

Some products can be grown off-season generating substantial profits since there are few competitors during that period. Such products, although requiring more time and attention, can offer a niche market opportunity for micro-entrepreneurs.

5. Decide on business size

Care must be taken in deciding the size of the business.

* If too small, the business may not be feasible.

* If too big, it becomes too difficult to manage properly and may require extra help, which adds to costs.

* If too big, the market may not be capable of absorbing the produce.

It is usually better to start small and expand the business slowly once the market has been tested and income starts coming in. Initially, self-sufficiency and the capability of handling the business by oneself is the best indicator of the right size of the enterprise.

Several questions need to be answered before determining the size of the enterprise:

1. Who are the clients?
2. Where are the clients?
3. How many clients are there?
4. How much produce or services can each client use?
5. Are there seasons or days of the week when the produce or service is more in demand?
6. Who else is offering the same service or produce?
7. What percentage of the business share can I expect to take?
8. How much money do I have to start the business?
9. How much can I manage by myself?

10. How can I ensure quality?

6. Identify the location

Land and Premises

Land and premises are needed for the establishment of any enterprise. In case these have to be acquired, the start-up costs will increase. If the new micro-entrepreneur already owns these, he or she may have to spend on renovation. The following questions should serve as guidelines:

1. How much space do I need?
2. Do I have a piece of land or building I can use?
3. What will be the cost of the land?
4. Do I need to rent the premises?
5. Does a new building need to be built?
6. Can the existing building (s) be renovated?
7. Do I need decoration? (Decoration may be needed to attract customers.)

7. Check availability of raw material

Raw material for making the produce should be readily available. Import of the material should be avoided because this will make it difficult to ensure a steady supply.

Number of suppliers should be identified.

It is important to avoid reliance on a single supplier as this will give the supplier a monopoly and is most likely to lead to an increase in prices over time. Because the profit margin in a micro-enterprise is generally small, it is necessary to keep production costs under close control. It is important to ensure constant quality. Alternative sources of raw material may also be considered such as forest products that are readily available and free of charge. Recycling and re-use is another way of reducing costs. The steady availability of water is another important consideration while selecting the enterprise and identifying the raw material. This is especially important for farming activities.

8. Identify funding

A person wanting to start a microenterprise may obtain a loan for this from family or community members. However, the start-up funds often have to be sought externally. It must be kept in mind that loans have to be repaid and, therefore, one must borrow the minimum amount needed for start-up and running expenses until the venture starts generating income. In some countries, government loans or institutional micro-credit are offered to small-scale

entrepreneurs – who have a viable business proposal. Rural persons often lack the education and skills needed for preparing a formal proposal and may need the help of family or community members. The loan can be repaid over a period of several years. The loan sometimes requires endorsement by a family or community member in case of no repayment. Persons seeking a loan must contact either local government authorities or government ministries that are most likely to offer loans, such as the Ministries of Labor, Social Welfare; the ministry may differ from one country to another. Persons may also obtain loans from cooperatives, agricultural organizations, and women's groups

9. Review the market

Marketing[3] is very important since competition can be fierce. The following factors must be taken into consideration:

1. **Packaging**
2. **Presentation**
3. **Market test**
4. **Competition**

10. Check profit and loss (feasibility checklist)

11. Avoid common mistakes

Numerous factors may jeopardize the success of an enterprise. The following are some common mistakes:

Insufficient know-how

Lack of marketing strategies

Insufficient cash flow

Too large start-up

Poor record-keeping

Giving samples and presents

Management

Maintenance

Preparing to start the business

Basic and unavoidable steps:

1. Secure funding
2. Open bank account
3. Identify precise location for the enterprise

4. Build or renovate the structure or building required
5. Arrange necessary infrastructure (water, electricity, communication and others)
6. Request permits (if necessary)
7. Purchase and adapt necessary tools, equipment and assistive devices (when required)
8. Identify suppliers of raw materials and consumables
9. Start production
10. Control quality
11. Devise marketing and sales strategies

Packaging may be needed for some products. This adds to the cost and must be carefully selected since it may increase the price of the product to a level that is no longer competitive. Same or similar products must be carefully reviewed for how and whether they should be packaged. Innovative packaging or presentation, however, may allow a new micro-entrepreneur to corner part of a market.

Managing the business

A profit-making business

Running a small-scale business is not only buying, producing and selling. It also means:

- * **Keeping clear records**
- * **Verifying profit and loss**
- * **Managing cash flow**
- * **Maintaining tools, equipment and buildings**
- * **Reviewing the market regularly**
- * **Expanding the business wisely**

Although setting up the micro-enterprise may have its difficulties, making it a profitable venture is the biggest challenge. It is therefore necessary to closely monitor each investment and purchase cost to know the exact profit.

CONCLUSION:

Becoming an entrepreneur is the result of a personal decision making process including assessments of opportunities and their costs, risk-reward relationships, and others. Values, beliefs and behaviors, embedded in the culture of a country and a place, influence this decision. Entrepreneurship education and start-up support, with its two-fold purpose of contributing to the creation and development of entrepreneurial attitudes and motivations and developing the skills needed to successfully run and grow a business, can play an important

role in the decision making process. Promoting entrepreneurship has become an area of growing policy interest all over countries.

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